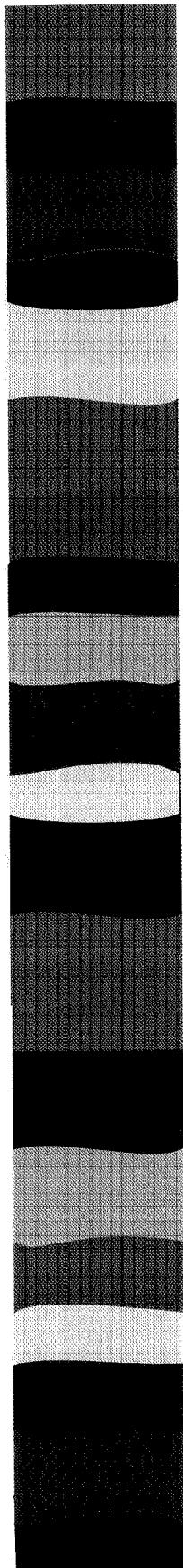


Exhibit G

Net Sales

(Net of What?)



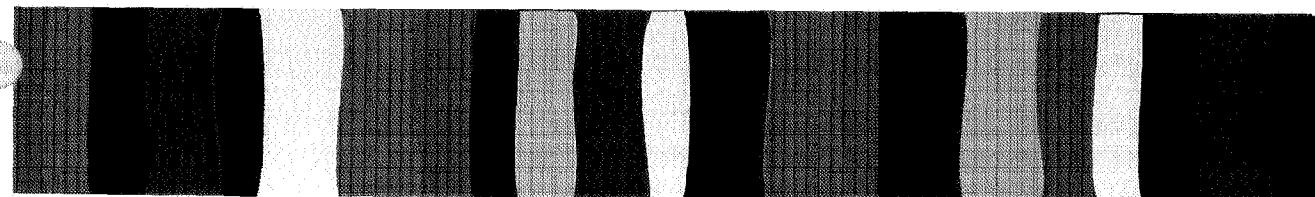
Joe Oberting
Revenue Accounting

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Golden Rules

- ⦿ Somewhat Entertaining
- ⦿ Socially Acceptable
- ⦿ Meaningful Information
- ⦿ Brief

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Agenda

- ✗ Common Terms
- ✗ Questions YOU Want Answered
- ✗ Net Sales - How Did We Get Down Here?
- ✗ Settle Down! - Odd Fluctuations
- ✗ What Did *What*!?
- ✗ Medicaid Land Mines

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Common Terms

- ★ **Direct Sale**
- ★ **Indirect Sale**
- ★ **Processed**
- ★ **Accrued (GAAP)**
- ★ **Chargeback**
- ★ **Gross Margin**
- ★ **Medicaid Alphabet Soup - CMS AMP**
 - **BP AWP ASP URA PHS HIN CPI-U** (defined on next slide)
- ★ **WAC**

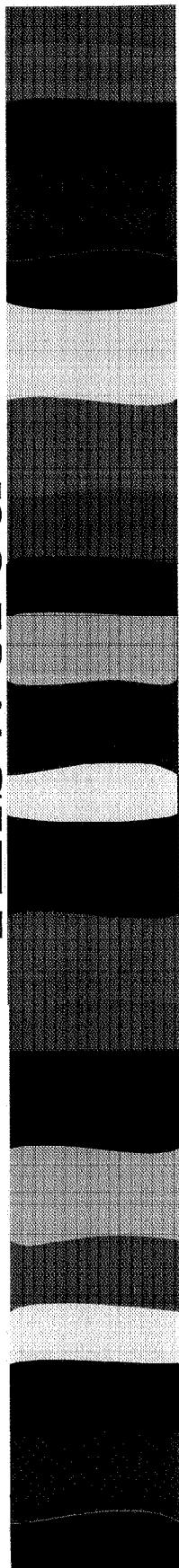
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Medicaid Alphabet Soup

- CMS = Center for Medicare and Medicaid Services
- AMP = Average Manufacturer's Price
- BP = Best Price
- AWP = Average Wholesale Price
- ASP = Average Selling Price
- URA = Unit Rebate Amount (usually per mL)
- PHS = Public Health System
- HIN = Health Industry Number
- CPI-U = Consumer's Price Index for All Urban Consumers

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Questions YOU Want Answered



Your Turn to speak...

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Net Sales - How Did We Get Down Here?

INVOICES

LESS: Returns

Pricing Adjustments / Shelf Stock Credit

Chargebacks

Rebates

= **NET PROCESSED PRODUCT SALES**

LESS: Cash Discounts

Administrative Fees

Medicaid Rebates

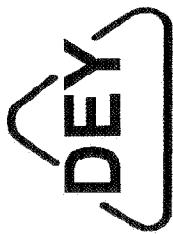
= **NET SALES**

LESS: Cost of Sales

= **GROSS MARGIN**

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Net Sales
May 2002
\$ (000)

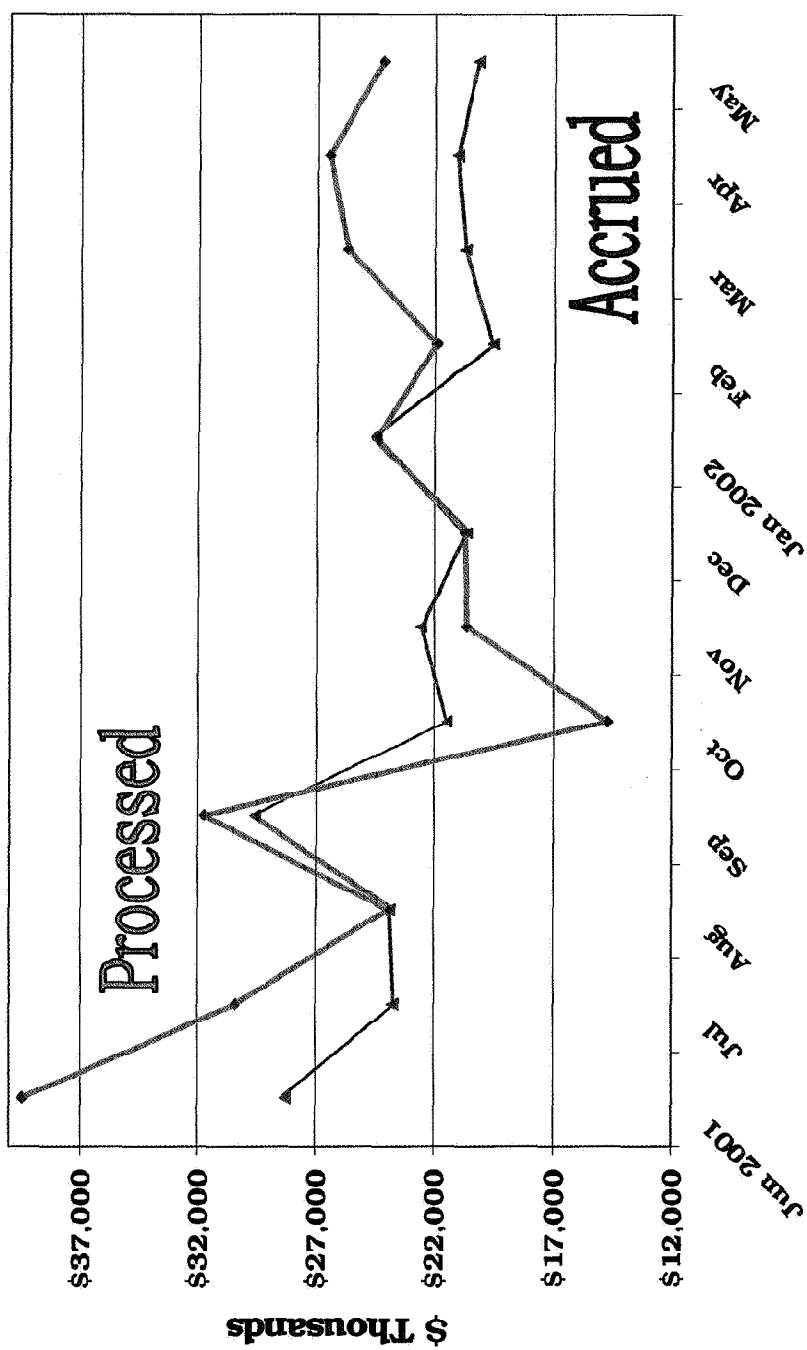


	<u>Processed</u>	<u>Accrued</u>	<u>Difference</u>
All Invoices	\$ 30,516	\$ 30,516	\$ -
<i>Less processed:</i>			
Chargebacks	\$ 4,779	\$ 5,145	\$ (366)
Returns	537	1,771	(1,234)
Rebates	904	1,451	(547)
Other Credits	68	68	-
	<u>6,288</u>	<u>8,435</u>	<u>(2,147)</u>
Net Processed Sales	\$ 24,228		
<i>Less other accruals:</i>			
Cash Discounts	\$ 585	\$ (585)	
Administrative Fees	219	(219)	
Medicaid Rebates	<u>1,096</u>	<u>(1,096)</u>	
	<u>1,900</u>	<u>(1,900)</u>	
Net Sales	\$ 20,181		\$ (4,047)

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Settle Down! Odd Fluctuations

Processed vs Accrued Sales



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What Did What May 2002

Results by Product Line

Results \$(Millions)

Product Lines	Sales		Budget	
	Actual	Budget	+ / (-)	Gross Margin + / (-)
Ipratropium	\$ 5.6	\$ 2.1	\$ 3.5	\$ 2.5
Albuterol Unit Dose	5.9	4.7	1.2	0.5
Cromolyn	0.6	0.3	0.3	-
Easivent®	0.6	0.3	0.3	0.2
Curosurf®	0.2	0.3	(0.1)	(0.1)
DuoNeb™	4.8	5.3	(0.5)	(0.5)
Albuterol Multidose	0.1	0.6	(0.5)	(0.1)
Ipratropium Nasal	-	1.0	(1.0)	(0.4)
Albuterol MDI	(0.2)	1.4	(1.6)	(1.0)
AccuNeb™	-	1.9	(1.9)	(1.7)
EpiPen®	3.6	6.9	(3.3)	(2.3)
All Others	(1.0)	(0.7)	(0.3)	(0.3)
Totals	\$ 20.2	\$ 24.1	\$ (3.9)	\$ (3.2)

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What Did What ? 5 Months 2002

Results by Product Line

Results \$(Millions)

Product Lines	Results \$(Millions)			Budget		
	Actual	Budget	+ / (-)	Sales	Gross Margin	+ / (-)
Ipratropium	\$ 24.7	\$ 15.6	\$ 9.1	\$ 7.1		
Albuterol Unit Dose	25.8	20.2	5.6	2.7		
DuoNeb™	22.1	18.6	3.5	3.1		
Curosurf®	1.0	1.0	-	0.1		
Albuterol Multidose	0.9	2.6	(1.7)	(0.4)		
Ipratropium Nasal	-	2.5	(2.5)	(1.0)		
EpiPen®	28.6	31.4	(2.8)	(2.3)		
Albuterol MDI	1.8	6.9	(5.1)	(4.3)		
AccuNeb™	0.1	6.8	(6.7)	(6.0)		
All Others	1.0	1.6	(0.6)	(0.8)		
Totals	\$106.0	\$107.2	\$ (1.2)	\$ (1.8)		

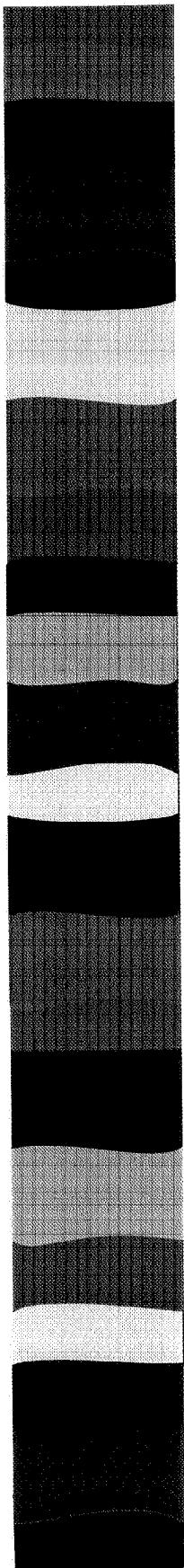
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Medicaid Land Mines

- ① Best Price
- ② CPI-U
- ③ Administrative Fees (3% Max)
- ④ Bundled Sales
- ⑤ Free Goods (Strings Attached?)
- ⑥ Coupon Rebate Program
- ⑦ Nominal Price
- ⑧ Customer Types
 - (Retail vs Non-Retail)

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Summary Discussion



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CONTRACT PROCEDURE